

Community welfare; apprehension of criminals. An organization assisting the police department in the apprehension and conviction of criminals by making funds available for use in offering rewards qualifies for exemption under section 501(c)(3) of the Code.

Advice has been requested whether the activities of the organization described below qualify as charitable for purposes of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 where the organization otherwise qualifies for such exemption.

The organization makes funds available to the police department to assist the department, as a regular part of its operations in offering rewards for information leading to the apprehension and conviction of persons engaging in criminal activity within a particular community. The fact that rewards are being offered in specific cases is publicized by the police department to save investigative time and to assist in obtaining prompt results. In this manner the organization assists the police department in the prevention of crime and apprehension of criminals in the community. In addition, it is expected that the rewards will deter criminal activity within the community.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations states that the term 'charitable' is used in its generally accepted legal sense, and includes lessening of the burdens of government.

The gratuitous performance of services to Federal, state or local governments is charitable in the generally accepted legal sense. For example, an organization assisting firemen, police, and other personnel to perform their duties more efficiently during emergency conditions is performing charitable services. See Rev. Rul. 71-99, 1971-1, C.B. 151. By providing funds to enable the police department to perform its regular duties, the organization is assisting the government in carrying out its function.

Accordingly, the activities of the organization qualify as charitable for purposes of exemption from Federal income tax under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director

of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.